

**United States House of Representatives
Select Committee on the Climate Crisis**

**Hearing on June 11, 2021
“Building Climate Resilient Communities”**

Questions for the Record

**The Honorable Keisha Lance Bottoms
Mayor of the City of Atlanta**

The Honorable Kathy Castor

- 1. You testified about your vision through One Atlanta, your vision for an affordable, equitable, sustainable, and resilient city, that achieves its commitment to 100% clean energy by 2035. States are enacting restrictions on the authorities of local governments to adopt and enforce energy conservation and resilience codes and standards in a trend that has Congress concerned about the prospects for the kind of local leadership and innovation that your city demonstrates. What has been your experience in Atlanta? As we work to craft legislation to invest in infrastructure and economic recovery, how can Congress help states and local governments keep pace with advancements in codes and standards to reduce emissions and increase resilience?**

In general, cities are responsible for regulating what happens in buildings, since all buildings are inherently local. Buildings are responsible for significant climate emissions. However, we have seen erosion of a city’s ability to take ambitious action to address the climate and equity impacts of our buildings. First, the International Code Council (ICC) Board of Directors voted to eliminate governmental member voting from the final determination of the International Energy Conservation Code (IECC). This was because cities voted in favor of ambitious climate-oriented energy code provisions. Second, there are 19 state legislatures in 2021 with bills introduced or passed that would preempt cities from contemplating the type of energy and fuels used in buildings in our community. Georgia is one such state where this kind of bill passed this year. While the City of Atlanta was not contemplating code changes that would address fuel use, we are concerned about the chilling effect such an expansive law has on creativity and innovation that cities are known for. Cities need flexibility and a whole toolbox of solutions to address climate change. Anything the federal government can do to continue to incubate and protect cities’ ability to think of creative and equitable climate policies through the use of codes is needed.

Further, codes only work if we can ensure they are followed and we build the capacity locally to keep up with new codes. Funding and support for training of city staff building inspectors and others is critical to ensure the benefits of codes and standards are achieved.

- 2. Your city was the first to bring environmental impacts bonds to public market. What are the challenges you encountered along the way? How can the federal**

government help communities take advantage of these sorts of innovative finance approaches, especially those that are suffering chronic disinvestment who most need access to capital?

The City of Atlanta is very proud of our Environmental Impact Bond, which will be financing critical improvements on Atlanta's Westside that will bring multiple environmental, social, and economic benefits to some historically underserved communities.

As with anything that is new and innovative, structuring and issuing the first publicly offered Environmental Impact Bond required a great deal of groundwork and creativity, from creating the performance-based models that tied the green infrastructure projects to financial outcomes, to drafting the legal documentation. Atlanta had the advantage of Rockefeller Foundation support in the form of outside services (Quantified Ventures) to help us understand and structure this new type of financing, which was critical to our success. The necessary upfront investment and lack of capacity could be an obstacle for many municipalities in taking on something new, and the federal government could provide this much-needed upfront support to open new funding vehicles. One of our goals was to demonstrate the viability of this new financing mechanism in a municipal bond market that can be slow to adopt change and to provide a model for other cities to build upon. A small initial investment of resources can have a tremendous impact and will begin to make impact-investing a common practice. In the end, these bonds were fully subscribed and opened a new source of private financing from outcomes-based investors, allowing Atlanta's Department of Watershed Management to prioritize impactful projects that will reduce flooding, improve waterways, create greenspaces for health and recreation, and provide green jobs and training.